

MEMORANDUM

SUBJECT: Record of Decision on the Proposed Reissuance of NPDES General Permit
TX260000 for the Oil and Gas Extraction Point Source Category, Territorial Seas
of Texas

FROM: Gerald W. Fontenot, P.E., Deputy Director
Compliance Assurance and Enforcement Division (6EN)

TO: Richard E. Greene
Regional Administrator (6RA)

Attached for your signature is the Record of Decision documenting the completion of the environmental assessment process under the National Environmental Policy Act (NEPA) for the Offshore Subcategory of the Oil and Gas Extraction Point Source Category to the Territorial Seas of Texas. If there are any questions, please contact Hector Pena at (214) 665-7453.

Attachments

January 11, 2005

**RECORD OF DECISION
ON THE FINAL ENVIRONMENTAL IMPACT STATEMENT
FOR THE GENERAL NEW SOURCE NPDES PERMIT TXG260000
FOR DISCHARGES FROM THE OFFSHORE SUBCATEGORY OF THE
OIL AND GAS EXTRACTION POINT SOURCE CATEGORY
TO THE TERRITORIAL SEAS OF TEXAS**

The U.S. Environmental Protection Agency (EPA), Region 6, is issuing this Record of Decision (ROD) to document the completion of the environmental assessment process under the National Environmental Policy Act (NEPA) for the Offshore Subcategory of the Oil and Gas Extraction Point Source Category to the Territorial Seas of Texas. The Notice of Intent to Prepare an EIS for the Territorial Seas of both Texas and Louisiana was published on February 12, 1993. The EPA prepared a Draft Environmental Impact Statement (DEIS) to evaluate the effects on the environment of its decision to reissue National Pollutant Discharge Elimination System (NPDES) General Permit (GP) TXG260000. The DEIS was issued on January 13, 1994, and the comment period closed on March 16, 1994. The Final EIS (FEIS), issued in June 1996, however, only covered the Territorial Seas of Louisiana and recognized that a separate FEIS would be prepared for the Territorial Seas of Texas. The FEIS for Texas was published in the Federal Register on March 26, 2004, and the 30-day comment period expired on April 26, 2004.

The only comment received on the FEIS was from the National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS). The NMFS commented that the GP would improve water quality through provisions prohibiting the discharge of drilling fluids, drill cuttings, and produced sands, and the requirement that produced water discharges cause no violations of state water quality standards. The NMFS commented that any adverse effects that might occur on marine and anadromous fishery resources would be minimal and, therefore, they had no objections to the issuance of the GP. The comments received on the NPDES GP concerned primarily bio-monitoring and acute-chronic ratio issues and will not require major changes to the permit as proposed. Those comments are addressed in a separate document.

EPA Region 6 has decided to proceed with the Preferred Alternative and is reissuing the NPDES GP for discharges from the Oil and Gas Extraction Point Source Category to the Territorial Seas of Texas. The GP has been updated to include the technology based Effluent Limitations Guidelines for the Oil and Gas Extraction Industry (40 CFR 435, Subpart A) published on March 4, 1993. The general and individual permits will implement these effluent guidelines and new source performance standards for new and existing oil and gas facilities.

Water quality will improve through provisions in the NPDES GP which will prohibit the discharge of drilling fluids, drill cuttings, and produced sands, and will require that produced water discharges meet the stringent effluent limits to avoid violating state water quality standards. The GP also places discharge limitations on deck drainage, well treatment, completion and workover fluids, and on sanitary and domestic wastes.

In making its decision, EPA Region 6 weighed the potential effects of its Preferred Alternative against the No-action Alternative. The probable result of the No-action Alternative would be the termination of authorization under which existing oil and gas operations in the Territorial Seas are allowed to discharge, requiring that they seek individual NPDES permits. This would require new source operations to prepare site-specific environmental assessments or EISs and would increase the time, effort and cost associated with the regulatory side of oil and gas operations, and possibly greatly reduce the magnitude of oil and gas operations, although the extent of reduction is not readily quantified. Other than the effluent limitations of the permit, the NEPA process did not identify any need or practicable means to avoid or minimize potential harm to the environment.

Responsible Official,

/S/

Richard E. Greene
Regional Administrator